

GOVERNOR'S
REASONS
FOR VETO:

These same types of extensive powers to assist private ventures have been considered before for other districts, and have not passed the Legislature. In the 67th session, bills that would have given the same authority to the Brownsville Navigation District (SB 21 and HB 291) and the Nueces County Navigation District (SB 760 and HB 874) both died. HB 1851 passed on the local and uncontested calendar. It did not receive proper consideration.

SPONSOR'S
VIEW:

Rep. Lee said "you wouldn't be able to print" his reaction to the veto. HB 1851 was in committee and subcommittee for 2 1/2 months, and clearly received a proper hearing. The other bills the Governor refers to went through the same committee, and were on the same calendar, but were knocked off. The bills were not identical, and it was not a legislative lapse to pass this one, Lee said.

"The Governor doesn't know how you develop ports," he added. Industrial revenue bonds are needed, because the cost would be astronomically expensive to ask voters to pay for with ad valorem taxes. It will be very cumbersome to try to meet the port's needs without this bill. Lee said he will resubmit the bill in the next session. He said the bill had strong bipartisan support in his area, and the veto has created substantial bad publicity for the Governor in the Valley.

Retirement benefits for certain former legislators
(HB 1905 by G. Hill)

DIGEST:

The bill proposed allowing certain former legislators to establish service credit under the state Employee Retirement System (ERS). Members of the 65th Legislature who left to take federal executive-level positions, or who had retired within a certain time period and later held federal positions specified in the bill could have counted the years of federal service toward ERS length-of-service requirements. The bill also proposed to make the age and length-of-service requirements for elected statewide officials identical with those now imposed on state employees.

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The Governor called the bill unsound pension policy, and said the creation of special classes of persons within the state retirement system could violate Internal Revenue Service (IRS) rules and jeopardize the system's tax-exempt status. The bill would have benefited a few people who "voluntarily left state service for high-level, high paying positions in Washington." Their needs, he concluded, do not

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(cont'd):

justify adoption of an actuarially unsound policy.

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VIEW:

Rep. Hill said the veto was "not a total surprise," though he thought the Governor had based his decision on misinformation. As originally drafted, the bill would have covered about 10 people. When the ERS opposed the bill, claiming it was actuarially unsound and saying it could jeopardize the system's tax-exempt status, the sponsor redrafted the bill. The new version covered only two people, contained a "self-destruct" provision if the IRS threatened the tax-exempt status, and made the bill actuarially sound by changing the age and length-of-service requirements for state officials. Having redrafted the bill according to ERS specifications, the sponsor assumed ERS opposition would be withdrawn. He now believes that despite the concessions made, ERS encouraged the veto.

The sponsor also said the type of exceptions the bill proposed had precedent in ERS policy. Elected state officials who have been teachers or active in the military have traditionally been able to add those employment years to their years as state officials, for retirement benefit purposes. Given these precedents, the sponsor thought it would be reasonable to extend benefits to a legislator who was asked by the President to serve the country in a top-level executive position.

Election dates for cities, towns, and school districts
(HB 2119 by Elizondo)

DIGEST:

Under current law, cities, towns, and school districts may hold elections for officers on designated Saturdays in January, April, and August, and, in a few cases, on the first Tuesday after the first Monday in November. The bill would have required most school districts and incorporated cities and towns to hold general elections on the first Saturday in April. Where applicable, cities and school districts would have used common polling places for the elections.

GOVERNOR'S
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The Governor acknowledged that the bill's purpose--to increase voter turnout in local elections--was laudable. But he said the bill would have delayed for five months city and school district elections scheduled for November, 1981, and that the effect would be disruptive for many local governments. The bill would have been particularly disruptive for Houston, which already holds joint city council-school board elections in November. He questioned